

Frank M. Vaccaro & Associates, Inc.

Employee Benefit Administrators & Consultants

Established: 1980

Offices located in:

Mount Laurel, NJ • Atlantic City, NJ • Philadelphia, PA • Pittsburgh, PA

November 23, 2010

CERTIFIED MAIL #7010 1060 0000 7484 5229

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room
N-1513
200 Constitution Avenue NW
Washington, DC 20210

Re: Critical Status Notice
Employer – Local 375 Pension Fund
EIN/PIN 23-6542743

Dear Sir/Madam:

Enclosed please find the Critical Status Notice for Employer – Local 375 Pension Fund for the Plan Year beginning August 1, 2010 and ending July 31, 2011.

Should you have any questions, or require additional information, please do not hesitate to contact our office.

Sincerely,
FRANK M. VACCARO & ASSOCIATES, INC.



Monica Madden
Account Manager

Notice of Critical Status For

Employer-Local No. 375 Pension Fund

This is to inform you that on October 25, 2010 the Plan actuary certified to the U.S. Department of the Treasury, and also to the Board of Trustees, that the Plan continues to be in Critical status for the Plan Year beginning August 1, 2010. Federal law, the Pension Protection Act of 2006, requires that you receive this notice.

Critical Status

The Plan is considered to be in Critical status because it has funding or liquidity problems, or both. More specifically, the Plan's actuary determined that the Plan has a projected funding deficiency for the Plan Year ending July 31, 2011

Rehabilitation Plan and Reduction in Benefits

Federal law requires pension plans in Critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan. This is the third year the Plan has been in Critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a Rehabilitation Plan. On October 15, 2008, you were first notified that the Plan would reduce or eliminate adjustable benefits. On June 15, 2009, the Board of Trustees adopted a Rehabilitation Plan and agreed on a schedule of contribution increases and changes to benefits to improve the funding of the Plan. If the Trustees of the Plan determine that additional benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of your basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after September 17, 2008. But you should know that whether or not the Plan reduces adjustable benefits in the future, effective as of September 17, 2008, the Plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in Critical status.

Adjustable Benefits

The Plan offers the following adjustable benefits which have been reduced or eliminated as part of the Rehabilitation Plan adopted by the Trustees:

- Post-retirement death benefits; - eliminated September 1, 2009
- Sixty-month payment guarantees; - eliminated on the later of September 1, 2009 or the first day of a collective bargaining agreement that includes adoption of the Rehabilitation Plan
- Disability benefits (if not yet in pay status); - eliminated September 1, 2009

- ☒ Early retirement benefit or retirement-type subsidy; - eliminated on the later of September 1, 2009 or the first day of a collective bargaining agreement that includes adoption of the Rehabilitation Plan
- ☒ Benefit payment options other than a qualified joint-and survivor annuity (QJSA); - eliminated on the later of September 1, 2009 or the first day of a collective bargaining agreement that includes adoption of the Rehabilitation Plan

Employer Surcharge

The law requires that all contributing employers that have not adopted a Rehabilitation schedule pay to the Plan a surcharge to help correct the Plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge was applicable in the initial Critical year and a 10% surcharge has been in effect since August 1, 2009.

Employer Withdrawal

As of the date of this notice, only one employer (International Paper) continues to contribute to the Plan. All of the other employers have withdrawn from the Plan. The union is currently negotiating with International Paper about withdrawing from the Plan and transferring assets and liabilities from the Plan to a single employer Plan sponsored by International Paper. If such event occurs, no employers will contribute to the Plan and there will be no active employees.

Where to Get More Information

For more information about this Notice, you may contact Frank M. Vaccaro & Associates, Inc. at 800-883-3682 or 27 Roland Avenue, Suite 200, Mt. Laurel, NJ 08054. You have a right to receive a copy of the Rehabilitation Plan from the Plan.

November 15, 2010